

MINUTES

MONTANA SENATE 57th LEGISLATURE - REGULAR SESSION COMMITTEE ON BUSINESS AND LABOR

Call to Order: By **CHAIRMAN MIKE TAYLOR**, on January 15, 2001 at 8:00 A.M., in Room 422 Capitol.

ROLL CALL

Members Present:

Sen. Mike Taylor, Chairman (R)
Sen. Dale Berry (R)
Sen. Edward Butcher (R)
Sen. Vicki Cocchiarella (D)
Sen. Sam Kitzenberg (R)
Sen. Dale Mahlum (R)
Sen. Glenn Roush (D)
Sen. Don Ryan (D)

Members Excused: Sen. Mike Sprague, Vice Chairman (R)

Members Absent: None.

Staff Present: Bart Campbell, Legislative Branch
Kyanne Kelly, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: SB112, 1/12/2001
Executive Action: SB59; SB157; SB 27; SB122

HEARING ON SB112

Sponsor: SENATOR DEBBIE SHEA, SD18, BUTTE

Proponents: Ellen Saputo, Big Timber Works
Bob Pyfer, Montana Credit Unions League

Opponents: None

Opening Statement by Sponsor:

{Tape : 1; Side : A; Approx. Time Counter : 0.7}

SENATOR DEBBIE SHEA, SD 18, BUTTE, stated this act would revise the cooperative association laws. First, it would take away the 40 year limit for existence. Second, it would eliminate the number of persons who may form a cooperative, the new one just says persons, so that would be 2 or more people. The bill also removes the requirement for initially subscribed stock and price limit on shares. And it finally authorizes the Secretary of State to establish filing fees. This law came into effect in 1895, and needs some change to meet the needs of the people of Montana. **EXHIBIT (bus11a01)**

Proponents' Testimony:

{Tape : 1; Side : A; Approx. Time Counter : 3.2}

Ellen Saputo, Big Timber Works, stated the owner of the Big Timber Works wanted to shift the business from a single owner to a cooperative of the people working for the company and then they came up against the limitations of the old law. There were conditions which they could not meet and still stay within the law. An example was the amount of money they could begin the cooperative with. The law said \$5000 or less, and that was not enough in the financial times we live in.

Bob Pyfer, Montana Credit Unions League, stated they are very supportive of the cooperative model, and support this bill.

Opponents' Testimony: None

Questions from Committee Members and Responses:

{Tape : 1; Side : A; Approx. Time Counter : 8.9}

SENATOR DALE MAHLUM stated he was on the interim committee that heard of this problem. He supports this bill

CHAIRMAN MIKE TAYLOR asked if there were any tax consequences to this bill, if there would be some tax shifting. **Ellen Saputo** said the corporation itself would pay less in taxes, and the individuals would pay more.

Closing by Sponsor:

{Tape : 1; Side : A; Approx. Time Counter : 11}

SENATOR SHEA reiterated that this law has not changed since 1895 and a lot of things have changed since then.

EXECUTIVE ACTION ON SB59

Motion/Vote: **SENATOR GLENN ROUSH** moved that **SB59 DO PASS**. Motion carried unanimously.

EXECUTIVE ACTION ON SB 157

Motion: **SEN. VICKI COCCHIARELLA** moved to amend **SB157**. **EXHIBIT** (bus11a02) (sb015702.abc)

Discussion: **SENATOR COCCHIARELLA** explained the first amendment, clarifying that incarceration is already in the law, and is already stipulated. She also wanted to remove the word, "retirement". If someone is retired from somewhere else and they get hurt on the new job, they are entitled to temporary disability payments. Termination would be according to the policy of the company.

SENATOR ROUSH asked if the employer would not have the option to fire an employee.

SENATOR COCCHIARELLA said that the employer would have the same rights with people on disability as with any other employee.

SENATOR MAHLUM said that these things are lined out in the employers manual.

Vote: Motion carried 8-0.

Motion/Vote: **SEN. COCCHIARELLA** moved that **SB 157 DO PASS AS AMENDED**. Motion carried 8-0.

EXECUTIVE ACTION ON SB 27

{Tape : 1; Side : A; Approx. Time Counter : 23.5}

Motion: SEN. COCCHIARELLA moved to amend SB 27.

EXHIBIT (bus11a03) (SB15702.abc)

Discussion: SEN. COCCHIARELLA stated that when the insurance companies give a discount someone else has to pick up the cost.

Exhibit (3) SEN. ED BUTCHER stated that to not pass this would penalize the young married couples who need this discount. It is a simple business thing. SEN. SAM KITZENBERG asked how many other states are doing this. He asked if there is any hard evidence that the rates would go up in one area if they went down in another area. SEN. COCCHIARELLA said she has never known a rate to go down in one area, that didn't get reflected in another area.

Vote: Motion carried 5-3 with SENATORS BERRY, BUTCHER, AND TAYLOR voting no.

Discussion: CHAIRMAN TAYLOR said he would get more information and executive action would be taken on the bill another day. This passed unanimously.

EXECUTIVE ACTION ON SB122

Motion/Vote: SEN. MAHLUM moved TO AMEND SB 122. Motion carried 8-0. **Exhibit (1)** (SB012201.abc)

Motion/Vote: SEN. MAHLUM moved that SB 122 DO PASS AS AMENDED. Motion carried 8-0.

ADJOURNMENT

Adjournment: 9:50 A.M.

SEN. MIKE TAYLOR, Chairman

KYANNE KELLY, Secretary

MT/KK

EXHIBIT (bus11aad)